GOVERNMENT OF INDIA
URBAN DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:4177
ANSWERED ON:21.12.2005
CHARGING OF MARKET RENT FROM KENDRIYA BHANDARS
Mehta Shri Bhubneshwar Prasad;Owaisi Shri Asaduddin

Will the Minister of URBAN DEVELOPMENT be pleased to state:

(a) whether the Government has decided to charge market rent and then get vacated Kendriya Bhandars from the subsidised premises in a phased manner;

(b) if so, the details thereof and the reasons therefor;

(c) whether special dispensation provided to the Kendriya Bhandar for supply of stationery and other items to Government Departments is no longer in force after issue of new General Financial Rules, 2005 effective from July 1, 2005;

(d) if so, whether the Cabinet Committee on Accommodation was aware of these facts before taking decision to charge market rent from the Kendriya Bhandars;

(e) if not, whether the Government will reconsider its decision to impose market rent on the Kendriya Bhandars;

(f) whether the Government is considering to maintain status quo or provide alternative accommodation to the Kendriya Bhandars; and

(g) if so, the details thereof?

Answer

MINISTER OF URBAN DEVELOPMENT AND CULTURE (SHRI S. JAIPAL REDDY)

(a): Yes, Sir.

(b): The Government has decided that accommodation allotted to the Kendriya Bhandar at various places shall be got vacated in a phased manner over a period of three years with one-third of the units of accommodation being vacated at the end of the 1st calendar year (twelve months) from the month of November, 2005. Market rate of licence fee, as fixed by the Central Government from time to time, shall be charged w.e.f. 1.11.2005 onwards

from the Kendriya Bhandar till the date of vacation of accommodation by it. This decision has been taken due to following reasons:

Kendriya Bhandar is a Multi-State Cooperative Society being run on commercial lines.
Kendriya Bhandar has grown and its outlets are being run on commercial basis. It is now no longer a welfare project for Central Government employees. It is running in profit and its business activities go beyond selling grocery and consumer items in Government housing colonies.
It has stopped selling items under the Public Distribution System w.e.f. 1.5.2003, which was a welfare activity.
There is acute shortage of General Pool accommodation in Delhi & other stations.
The Government is reducing the subsidy being provided to various organisations and encouraging them to compete with private organisations in the field.

(c): Ministry of Finance, Department of Expenditure has vide its O.M. dated 29.7.2005 has withdrawn special dispensation provided to Kendriya Bhandars after issue of new General Financial Rules effective from 1.7.2005.

(d): All relevant factors have been taken into account before taking decision to charge market rate from the Kendriya Bhandar.

(e)to(g): At present no proposal is under consideration of the Government to reconsider its decision of imposing market rate of licence fee on Kendriya Bhandar and to maintain status quo or to provide alternate accommodation to it.